



**Request for City Council Committee Action
From the City Attorney's Office**

Date: July 16, 2012

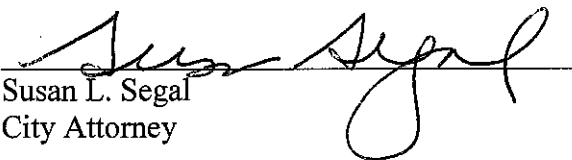
To: Honorable Betsy Hodges, Chair Ways and Means/Budget Committee

Subject: Resolution of Pending Special Assessment Appeals, *1010 Metrodome Square and Timeshare Systems, Inc. v. City of Minneapolis* – District Court File No. 27-CV-11-17692

Recommendation:

- A. That the City Council approve the proposed settlement of the special assessment appeals asserted by 1010 Metrodome, LLC and Timeshare Systems, Inc., by authorizing the Director of Public Works to reduce previously levied assessments at 511 11th Avenue South by \$39,905.25, and authorize the City Attorney's Office to execute any documents necessary to effectuate settlement.
- B. Reduce Street Paving appropriation in 04100-9010937-CPV11616TH High Volume Corridor Reconditioning Program by \$42,300 and utilize excess project revenue to cover the reduction in future assessment collections.
- C. Authorize a transfer of \$42,300 from 04100-9010937-9055 CPV11616TH to 05I11-1270100-3841 to fund future bond principal and interest payments on the reduced assessment.

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Approved by: 
Susan L. Segal
City Attorney

Presenter in Committee: Susan L. Segal, City Attorney

Financial Impact

X Other financial impact (Explain): Reduction of \$18,994.37 to an assessment arising out of the 2011 5th Street S Resurfacing Project No 5225; and Reduction of \$20,910.88 to an assessment arising 6th St S Resurfacing Project No 5223.

Community Impact: Other

Background/Supporting Information

On November 18, 2011 by Resolution No 2011R- 619, the City Council levied assessments for various Public Works improvement projects including the 6th St S Resurfacing Project No 5223 and the 5th St S Resurfacing Project No 5225. Two adjacent parcels located at 1010 7th Street, South, Minneapolis with Tax ID No. 26-029-24-13-0096, and 601 10th Avenue, South with Tax ID No. 26-029-24-24-0063, were included in the 6th St S Street Resurfacing Project No. 5223, both being owned by 1010 Metrodome Square, LLC.

Appellant, 1010 Metrodome Square, LLC will pay the original combined assessment amount of \$14,300.77.

The City also levied two separate assessments against a single parcel located at 511- 11th Avenue, South, Minneapolis with Tax ID No. 26-029-24-13-0095. The first assessment arose out of the 2011 5th Street S Resurfacing Project No 5225 and was in an amount of \$44,481.37. The second assessment arose out of the 2011 6th Street S Resurfacing Project No 5223 and was in an amount of \$48,923.88.

Appellant, Timeshare Systems, Inc. has agreed to pay a total of \$53,500.00 for both of the above-named assessments. The proposed reductions would be assigned to both of the underlying projects on a proportional basis as follows: Appellant would pay \$25,487.00 for the assessment arising out of the 5th Street S Resurfacing Project No 5225; and Appellant would pay \$28,013.00 for the assessment arising out of the 6th Street S Resurfacing Project No 5223. This reduction in assessments amounts to \$39,905.25. The assessments were levied in 2011 and began collection on the 2012 property tax statements. Principal installments of \$9,784.77 for the 6th St S Resurfacing Project No 5223 and \$8,896.27 for the 5th St S Resurfacing Project No 5225 are currently being collected as a part of the 2012 property taxes by Hennepin County. The settlement amounts will be adjusted for those principle installments collected on 2012 taxes. The balances remaining to be collected on subsequent years taxes are therefore further reduced to \$18,264.30 for the 6th St S Resurfacing Project No 5223 and reduced to \$16,590.73 for the 5th St S Resurfacing Project No. 5225.

The 2011 High Volume Corridor Reconditioning Program is an open capital project with remaining Hilton trust fund resources that can be utilized as a source of funding for the assessment reduction. Funds will be transferred from the 04100 Fund to the appropriate Special Assessment Debt Service fund in order to fully fund the future debt service requirements, including interest.

The City's Public Works Department supports the resolution. Therefore, staff recommends approval of the settlement of this matter as described above.

PID 26-029-24-13-0096 26-029-24-24-0063	Original Assessment	Amended Assessment	Difference
6th Street Resurfacing	\$14,300.77	NA	\$0
TOTAL			Property Owner to Pay Full Assessment Amount

PID 26-029-24-13-0095	Original Assessment	Amended Assessment	Difference
5 th Street Resurfacing	\$44,481.37	\$25,487.00	\$18,994.37
6 th Street Resurfacing	\$48,923.88	\$28,013.00	\$20,280.88
TOTAL	\$93,405.25	\$53,500	\$39,905.25